Press release
May 15, 2018

ENGIE financial information as of March 31, 2018
Sustained organic growth and full-year guidance confirmed

The successful strategic repositioning of the Group on low CO_2 generation, global networks and client solutions enabled to lay solid foundations of a new growth dynamics with a portfolio less exposed to market prices, cleaner and more profitable.
During first quarter 2018, the activities of the Group have shown a strong momentum and have further reinforced its leadership positions. ENGIE benefits from a healthy pipeline in renewables following recent successful auctions as well as the acquisition of a wind developer in the United States. In global networks, the regulated asset base of the Group strongly increased following the regulation of the gas storage activities in France. The commercial dynamics also remains strong in client solutions.
First quarter 2018 financial results are in line with the Group's expected annual trajectory and the Group's financial structure remains very strong, as confirmed by the recent upgrade in S&P's outlook from negative to stable, with a maintained A- rating.
ENGIE confirms its 2018 full-year guidance.

2018 first quarter key figures

- **Revenues: EUR 17.5 billion**, up 1.2% on a reported basis and 3.0% on an organic basis, vs. 2017 first quarter.
- **EBITDA: EUR 3.2 billion**, up 3.0% on a reported basis and 6.0% on an organic basis.
- **Net debt: EUR 19.4 billion**, i.e. EUR - 3.1 billion vs. end of 2017.

Upon the presentation of the 2018 first quarter financial information, Isabelle Kocher, ENGIE CEO, stated: *"With a 6% EBITDA organic growth, ENGIE amplifies its positive results from last year, confirms its annual financial forecasted trajectory and demonstrates, once again, the relevance of its strategic repositioning launched 3 years ago. With a solid financial structure, the Group records an historically low debt, below EUR 20 billion, and restates all its objectives for 2018. I wish to thank the Group's teams for their excellence: their commitment to harmonious progress and expertise on a daily basis have made these successes possible."*

First quarter 2018 financial data

In EUR biilion	03/31/2018	03/31/2017[1]	Δ 2018/17 gross	Δ 2018/17 organic[2]
Revenues	**17.5**	17.3	+ 1.2%	+ 3.0%
EBITDA	**3.2**	3.1	+ 3.0%	+ 6.0%
Current Operating Income[3]	**2.2**	2.1	+ 3.1%	+ 5.7%
Cash Flow From Operations[4] (CFFO)	**1.5**	2.5	- 0.9 bn €	
Financial Net Debt	**19.4**	- 3.1 bn € vs. 12/31/2017		

Analysis of first quarter 2018 financial data

Revenues of EUR 17.5 billion

Revenues as of March 31, 2018 reach EUR 17.5 billion, up 1.2% on a gross basis and 3.0% on an organic basis.
This growth is substantially explained by the strong increase in renewable power generation in France and in Belgium, by the increase of gas and electricity sales in the retail segment in France, by the commissioning of assets in Latin America and by the favorable temperature impact for gas distribution in France. It is also driven by recent acquisitions, including new contributions from two hydroelectric power plants in Brazil, the Talen services company in the United States and Keepmoat Regeneration, the leading provider of regeneration services in the United Kingdom.
These effects are partially compensated by a negative foreign exchange impact, in particular attributable to the Brazilian real and the US dollar vs. Euro, by less favorable market conditions for thermal activities in Europe in 2018, by a decrease in achieved prices of nuclear and hydroelectric production in Belgium and France, and by the scope out effect of disposals (in particular thermal assets in Australia, in Poland and in the United Kingdom).
More details on the evolution of the revenues by reportable segment are available on pages 7 and 8.

EBITDA of EUR 3.2 billion

EBITDA for the period amounts to EUR 3.2 billion, up 3.0% on a gross basis and 6.0% on an organic basis, mainly for the reasons mentioned above. In addition, the sharp increase in EBITDA is also due to a 30 basis points increase in service activities margins and to the outstanding performance of midstream gas activities in a favorable market environment in Europe.

EBITDA performance is contrasted among segments:

- **EBITDA for the North America segment** increases sharply due to the sound performance of renewable activities in Canada and the positive temperature effect in the United States.

- **EBITDA for the Latin America segment** is slightly down on a reported basis due to a negative foreign exchange impact of the Brazilian real and the US dollar vs. Euro, partially offset by the additional

[1] 2017 figures restated for E&P International activities and LNG midstream and upstream activities classified as discontinued operations (as from May 2017 for EPI and as from March 2018 for LNG midstream and upstream) and for IFRS 9 & 15.
[2] Excluding scope and forex effects.
[3] Including share in net income of associates.
[4] Cash Flow From Operations (CFFO) = Free Cash Flow before maintenance Capex.

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contribution of the two hydroelectric power plants in Brazil (Jaguara, 424 MW and Miranda, 408 MW). Organic growth is significant and explained by the commissioning of wind (Santa Monica, 97 MW) and solar (Assu, 30 MW) assets in Brazil as well as by tariff increases in gas distribution in Mexico and Argentina.

- **EBITDA for the Africa/Asia segment** is significantly declining because of a negative foreign exchange impact of the Australian dollar, the US dollar and the Thai baht vs. Euro, the scope-out effect resulting from the disposal of the Loy Yang B coal plant in Australia in January 2018 and the closure of the Hazelwood coal plant in the same country in March 2017. These effects are partially offset by thermal generation in Thailand and Turkey and by higher power prices in Australia.

- **EBITDA for the Benelux segment** is stable. "*Lean 2018*" performance plan effects and the good performance of gas and electricity sales activities and renewable power generation in Belgium are offset by the decrease in EBITDA of the nuclear power generation activities due to lower volumes (ca. - 4%) and lower achieved prices.

- **EBITDA for the France segment** is strongly increasing due to higher wind and hydro power generation and to higher heat sales linked to the positive temperature effect. These positive effects compensate a temporary downturn in retail sales margins, this downturn being due to increasing prices of Energy Savings Certificates (Certificats d'Economie d'Energie) that will be eventually passed through to final customers. This performance for B2C activities in the first quarter does not reflect the expected dynamics for the full year.

- **EBITDA for the Europe excluding France and Benelux segment** is declining. This is mainly explained by lower distributed volumes and by a decrease in distribution regulated rates in Romania since April 2017, by the disposal of distribution activities in Hungary in January 2018 and by a negative foreign exchange impact of the British pound and Romanian leu vs. Euro. These effects are partially offset by the acquisition of Keepmoat Regeneration (buildings regeneration in the United Kingdom) and the launch of energy sales retail business in June 2017 in the United Kingdom.

- **EBITDA for the Infrastructures Europe segment** is slightly down, mainly resulting from lower storage capacity sales combined with the negative impact of tariff revisions for gas transport infrastructures and LNG terminals, in France, which partially offset the favorable temperature effect.

- **EBITDA for the GEM (Global Energy Management) segment** is sharply increasing, mainly benefitting from the good performance of midstream gas activities in a favorable market context in Europe in 2018, while the first quarter of 2017 was impacted by challenging gas sourcing conditions in the south of France.

- **EBITDA for the Other segment** is down on a gross basis after the disposal in 2017 of thermal power generation assets in the United Kingdom and in Poland. On an organic basis, the decrease is due to lower downstream activities of gas and electricity sales to small businesses in France and very favorable market conditions in 2017 for thermal activities in Europe.

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Current operating income of EUR 2.2 billion

Current operating income reaches EUR 2.2 billion, up 3.1% on a gross basis and 5.7% on an organic basis compared to the end of March 2017, for the same reasons as for EBITDA, as depreciation remains stable versus the first quarter 2017.

Financial net debt of EUR 19.4 billion

As of March 31, 2018, **net financial debt** reaches EUR 19.4 billion, down EUR 3.1 billion from year-end 2017, mainly due to the effects of the portfolio rotation program (EUR - 2.6 billion) namely with the closing of the disposal of Exploration & Production activities in February 2018.

Cash Flow From Operations (CFFO) stands at EUR 1.5 billion over the first quarter of 2018, decreasing by EUR 0.9 billion compared to the end of March 2017. This year-on-year evolution reflects the normalization of the change in working capital for EUR - 1.1 billion (notably related to temperature effect, margin calls and financial instruments).

By the end of March 2018, the **net financial debt / EBITDA ratio** at 2.1x is well below the target of ≤2.5x.
The Group's average cost of gross debt slightly decreases compared to end December at 2.53%.
The **net economic debt / EBITDA**[5] **ratio stands** at 3.6x, improving[5] versus end of 2017 (3.8x).

ENGIE's successful repositioning

ENGIE is finalizing its transformation plan based on its three programs :

- on the **portfolio rotation program** (EUR 15 billion disposals net debt impact targeted over 2016-18), the Group has announced to date **EUR 13.2 billion of disposals**[6] (i.e. 90% of total program), of which **EUR 11.6 billion are already closed**;

- on the **investments program**, **the whole amount of EUR 14.3 billion**[6] growth Capex over 2016-18 is already invested or secured by the end of March 2018;

- regarding the **"*Lean 2018*" performance plan**, at end of March 2018, **EUR 1.0 billion**[6] of cumulated net gains were **recorded** at EBITDA level. **All actions are already identified** to reach the target of EUR 1.3 billion savings at the end of 2018.

[5] Figures restated for LNG midstream and upstream activities classified as discontinued operations as from March 2018
[6] Cumulated impact from January 1, 2016 to March 31, 2018

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2018 financial targets[7]

The Group confirms its 2018 financial targets:

- a **net recurring income Group share** between EUR 2.45 and 2.65 billion. This target is based on an estimated EBITDA between EUR 9.3 and 9.7 billion;
- a **net financial debt / EBITDA ratio** less than or equal to 2.5x and a maintained "A" category rating;
- a **dividend of EUR 0.75/share**, in cash, for fiscal year 2018.

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The presentation of the Group's first quarter 2018 financial information used during the investor conference call is available from the Group's website:

http://www.engie.com/en/investors/results/results-2018/

UPCOMING EVENTS

- **May 18, 2018:** Shareholders meeting
- **May 24, 2018:** Final dividend payment[8] (EUR 0.35 per share) for fiscal year 2017. Ex-dividend date is May 22, 2018.
- **July 27, 2018:** H1 2018 results publication

[7] These targets and indications exclude E&P and LNG contributions and assume average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, unchanged significant Group accounting principles except for IFRS 9 & 15, no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31st, 2017 for the non-hedged part of the production, and average foreign exchange rates as follows for 2018: €/$: 1.22; €/BRL: 3.89 and do not consider significant impacts on disposals not already announced at Dec, 31st 2017.

[8] Dividend submitted to shareholders' approval at the General Assembly on May 18, 2018

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Important notice

The figures presented here are those customarily used and communicated to the markets by ENGIE. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although ENGIE management believes that these forward-looking statements are reasonable, investors and ENGIE shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of ENGIE, and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by ENGIE with the French Financial Markets Authority (AMF), including those listed in the "Risk Factors" section of the ENGIE (ex GDF SUEZ) reference document filed with the AMF on March 28, 2018 (under number D.18-0207). Investors and ENGIE shareholders should note that if some or all of these risks are realized they may have a significant unfavorable impact on ENGIE.

About ENGIE

We are a global energy and services group, focused on three core activities: low-carbon power generation, mainly based on natural gas and renewable energy, global networks and customer solutions. Driven by our ambition to contribute to a harmonious progress, we take up major global challenges such as the fight against global warming, access to energy to all, or mobility, and offer our residential customers, businesses and communities energy production solutions and services that reconcile individual and collective interests.
Our integrated - low-carbon, high-performing and sustainable - offers are based on digital technologies. Beyond energy, they facilitate the development of new uses and promote new ways of living and working. Our ambition is conveyed by each of our 150,000 employees in 70 countries. Together with our customers and partners, they form a community of imaginative builders who invent and build today solutions for tomorrow.

2017 turnover: 65 billion Euros. Listed in Paris and Brussels (ENGI), the Group is represented in the main financial (CAC 40, BEL 20, Euro STOXX 50, STOXX Europe 600, MSCI Europe, Euronext 100, FTSE Eurotop 100, Euro STOXX Utilities, STOXX Europe 600 Utilities) and extra-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

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APPENDIX: Revenues by reportable segment

Revenues *In EUR million*	**March 31 2018**	**March 31 2017**	**Gross variation**	**Organic variation**
North America	840	785	+ 7.1%	+ 18.9%
Latin America	1,053	1,129	- 6.8%	+ 4.3%
Africa / Asia	919	938	- 2.0%	+ 8.3%
Benelux	2,023	1,983	+ 2.0%	+ 2.1%
France	4,838	4,397	+ 10.0%	+ 8.6%
Europe excl. France & Benelux	2,723	2,438	+ 11.7%	+ 6.0%
Infrastructures Europe	1,912	1,831	+ 4.5%	+ 4.5%
GEM	1,766	2,093	- 15.6%	- 15.2%
Other	1,449	1,728	- 16.2%	- 4.1%
ENGIE Group	**17,523**	**17,323**	**+ 1.2%**	**+ 3.0%**

Revenues as of March 31, 2018 increase by 1.2% on a gross basis with EUR +73 million of perimeter effects (EUR -304 million of scope out effects namely due to the sale of thermal power generation activities in the United Kingdom and in Poland for EUR -215 million and EUR +377 million of scope in effects mainly due to acquisitions of Keepmoat Regeneration in the United Kingdom and Talen in the United States and to the contribution of the two hydroelectric power plants in Brazil totaling 832 MW of installed capacity), EUR -372 million mainly due to the Brazilian Real and the Dollar and EUR +499 million of organic growth. On an organic basis, revenues increase by 3.0%.

Revenues for the North America segment are up on a gross and organic basis due to the contribution of Talen in the United States and to higher B2B energy sales. These positive effects have compensated the negative effects of the foreign exchange impact and the disposal of the United States thermal merchant assets in early 2017.

Revenues for the Latin America segment are down as a result of negative foreign exchange impact, only partially offset by the positive effect following the hydroelectric concessions agreement signature in Brazil at end 2017, the commissioning of wind and solar assets in Brazil and Chile and the tariff increase in gas distribution activities in Mexico and in Argentina.

Revenues for the Africa/Asia segment are slightly down on a gross basis but up on an organic basis. The gross variation is mainly due to negative foreign exchange (Australian dollar, US dollar and Thai baht) and to the disposal of the Loy Yang B coal fired power plant in Australia. The organic variation results from higher sales in the retail activities in Australia, the higher availability of thermal contracted power generation capacities in Thailand and Turkey, partially offset by the positive impact of the closing of Fadhili power generation project in Saudi Arabia in 2017.

Revenues for the Benelux segment are increasing compared to the first quarter 2017. This increase is mainly due to the growth of service activities in Belgium and higher energy volumes sold. These positive

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effects offset the decrease in revenues of the nuclear power generation due to lower volumes, as a result of the outage of Doel 3, and lower achieved prices (EUR 33/MWh in 2018, representing a reduction of ca. EUR 3/MWh).

Revenues for the France segment are significantly increasing on gross and organic basis. Gross growth is explained by the acquisition of several energy services companies (MCI, CNN MCO, Icomera). The organic increase is mainly related to higher hydroelectric (up 39%) and wind power generation and to higher gas and electricity sales in the retail segment.

Revenues for the segment Europe excluding France and Benelux shows gross and organic growth. Gross growth is explained by the acquisition of Keepmoat Regeneration (buildings regeneration in the United Kingdom) which is partially offset by the negative foreign exchange effect of the British pound and the Romanian leu, as well as the disposal of gas distribution activities in Hungary at the beginning of 2018. Organic growth benefitted from higher gas prices in commercialization activities in Romania partially offset by lower distribution revenues, as well as the energy sales retail business launched in June 2017 in the United Kingdom.

Revenues for the segment Infrastructures Europe are increasing mainly due to favorable temperature effect for distribution activities and higher sales in storage activities in the United Kingdom. This increase is partially offset by a lower commercialization of storage capacity and by the negative impact of tariff revisions of transport infrastructures and of LNG terminals in France as of April 1st, 2017.

Revenues for the segment GEM are down compared to March 2017. This is due to a change in accounting method applied to the management of long-term supply contracts for gas, transport and storage capacities, partially offset by a slight increase in commodities volumes sold to professional clients in Europe compared to last year.

Revenues for the Other segment declines on a gross basis due to the disposal of thermal generation activities in the United Kingdom and Poland and on an organic basis due to the favorable market conditions in 2017 for thermal activities in Europe (with spreads decreasing by 7% and load factor decreasing by 12 basis points) and to a decrease in power sales to industrial clients in France.

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APPENDIX: comparable basis organic growth analysis

In EUR million	03/31/2018	03/31/2017	Gross/Organic variation
Revenues	**17,523**	**17,323**	**+ 1.2%**
Scope effect Exchange rate effect	- 377	- 304 - 372	
Comparable basis	**17,146**	**16,647**	+ **3.0%**

In EUR million	03/31/2018	03/31/2017	Gross/Organic variation
EBITDA	**3,163**	**3,071**	**+ 3.0%**
Scope effect Exchange rate effect	- 43	- 29 - 100	
Comparable basis	**3,120**	**2,942**	**+ 6.0%**

In EUR million	03/31/2018	03/31/2017	Gross/Organic variation
Current Operating Income including share in net income of associates	**2,157**	**2,093**	**+ 3.1%**
Scope effect Exchange rate effect	- 37	- 8 - 79	
Comparable basis	**2,120**	**2,006**	**+ 5.7%**

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APPENDIX: Group significant events

Develop low CO_2 power generation activities

From 1st of January to 31st of March 2018:

- ENGIE acquires Infinity Renewables, a leading developer of utility-scale wind and solar projects in the United States.

From 1st of April 2018:

- ENGIE's renewable energy generation capacities in India amount to 1 GW following the attribution of a 200 MW wind project.
- AIR PRODUCTS and ENGIE launch innovative partnership - Blockchain technology to certify the traceability of green electricity.
- ENGIE and Meridiam win two solar photovoltaic projects in Senegal.

Develop global networks, mainly gas

From 1st of January to 31st of March 2018:

- On February 22, the French Energy Regulation Commission (CRE) published three deliberations to implement the reform of gas storage in France.

Develop integrated solutions for clients

From 1st of January to 31st of March 2018:

- Agreement signed for the control of Electro Power Systems, pioneer in hybrid storage solutions.
- ENGIE and SUEZ partners to boost energy transition in France by developing solar energy.
- ENGIE acquires SoCore in the United States a fully-integrated developer, owner, and operator of solar projects based in Chicago.

From 1st of April 2018:

- ENGIE and Axium acquire energy system serving six Harvard-affiliated Medical Institutions in the United States.
- ENGIE acquires Unity International Group, a premier electrical construction and maintenance provider based in New-York.
- ENGIE enriches its self-consumption solar offering in France.

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